

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont, 21st Floor
San Francisco, California 94105**

RH03026432

July 28, 2003

**FINAL PROPOSED PLAN OF OPERATIONS TEXT¹
CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM**

Amend Section 25 to read as follows:

Section 25. EXTENT OF COVERAGE

A. Coverages and Limits

1. Bodily Injury and Property Damage Coverage

The assigned insurer shall be required to write a policy for bodily injury liability coverage in amounts of \$10,000 per person and \$20,000 per occurrence, and property damage liability coverage in the amount of \$3,000 in accordance with the California Insurance Code.

A Low Cost Auto Insurance Policy written by an insurer for the above limits shall meet the requirements of the financial responsibility law of the California Vehicle Code.

2. Additional Coverages Available from Assigned Insurer

An insured assigned under the LCA has the option to also purchase from the assigned insurer additional coverage to be written in the same policy as the liability coverage. The assigned insurer will offer the following coverages to Low Cost Auto Program applicants:

- a. Uninsured Motorists Bodily Injury Coverage at limits of \$10,000 per person and \$20,000 per occurrence.

Notwithstanding the coverage amounts required by the California Insurance and Vehicle Codes, uninsured motorists bodily injury coverage written in conjunction with a Low Cost Auto Policy, with coverage limits at least equal to the limits of liability in the underlying Low Cost Auto Policy, shall satisfy

¹ The proposed changes amend the California Automobile Insurance Low Cost Program Plan of Operations approved by the Commissioner.

the requirements of the California Insurance Code and the financial responsibility requirements of the California Vehicle Code.

However, uninsured motorists bodily injury coverage may be rejected if the assigned insurer and named insureds have agreed in writing to delete this protection. If coverage is previously rejected, the assigned insurer need not make an offer to provide this coverage in a renewal policy.

- b. Medical Payments Coverage at a limit of \$1,000 per person

~~2.~~ 3. Other Insurance

[The remainder of this section remains unchanged.]

Amend Section 26 to read as follows:

Section 26. PREMIUM PAYMENT OPTIONS

[Introductory paragraph, paragraph A and B remain unchanged.]

C. Installment Premium Payment Options

[Subsections 1 and 2 remain unchanged.]

3. Option #3

a. Deposit

An advanced deposit of no more than 15% of the estimated annual premium shall be submitted on new assignments and renewals.

b. Installments

The first installment bill shall reflect the current annual premium minus the deposit to arrive at any outstanding balance. Each installment due bill shall be in statement form and shall show the opening or current outstanding balance, any credits or adjustments thereto, the current installment amount due, any amount past due, and the installment charge for the current installment. Subsequent installments should be billed in substantially equal whole dollar amounts until the full premium is paid.

Six installments per year will be provided. Each installment consists of one-sixth of the remainder of the premium, subject to a minimum

premium of \$20 (to which any outstanding balance of less than \$20 is to be added), plus an installment charge on each installment, including the final installment, due as follows:

The due date of the first installment shall be up to 60 days following the effective date of the policy. Subsequent installments shall be due on a bi-monthly basis thereafter until the full annual amount of premium has been remitted, except that the final installment shall be due no later than 30 days prior to the policy expiration date.

Note: For the purpose of the installment premium payment options shown above, the installment charge will be the same as the installment charge for California Automobile Assigned Risk Plan insureds electing the installment premium payment option under Title 10, California Code of Regulations, Section 2443.1.

~~3.4.~~ [Re-numbered only. Text remains unchanged.]

~~4.5.~~ [Re-numbered only. Text remains unchanged.]

~~5.6.~~ [Re-numbered only. Text remains unchanged.]

[The remainder of this section remains unchanged.]

Amend Section 27 to read as follows:

Section 27. PREMIUM DETERMINATION

[Paragraphs A and B remain unchanged.]

C. Rates

1. Liability Coverage

CALIFORNIA LOW COST CLASS CODES

[The remainder of subsection 1. remains unchanged.]

2. Uninsured Motorists Bodily Injury Coverage at \$10,000/\$20,000 limits

For new business and renewals

<u>Los Angeles County</u>	<u>\$64.00</u>
<u>San Francisco City and County</u>	<u>\$39.00</u>

3. Medical Payments Coverage at \$1,000 limits

For new business and renewals

<u>Los Angeles County</u>	<u>\$26.00</u>
<u>San Francisco City and County</u>	<u>\$24.00</u>

~~* to be determined at the hearing~~